

Modoc Local Agency Formation Commission

Minutes April 9, 2024

City Council Chambers
Alturas City Hall
200 W. North Street, Alturas, CA 96101
4:00 PM

1. The Meeting was called to order at 4:03 pm by Chair Minchella. A pledge of allegiance was recited.

Commissioners Present

Paul Minchella
Laurie Pearce Price
Kathie Rhoads
Ned Coe
Shane Starr

LAFCO Staff

John Benoit, Executive Officer
Jennifer Stephenson, Dep. EO
Tacie Wheeler, Clerk

2. Approval of the Agenda (Additions and Deletions)

A motion was made by Ned Coe and seconded by Kathie Rhoads to approve the agenda.

3. Correspondence:

John Benoit stated that the Ethics Training is tomorrow at the Barclay Center at 9 AM.
No other correspondence.

4. Consider Minutes for the February 13, 2024 LAFCo meeting

The Minutes from the February 13, 2024 meeting were approved with a motion by Kathie Rhoads and a second by Laurie Pearce Price.

5. Public Comment

No comments

6. Consent Agenda

Motion by Ned Coe, seconded by Kathie Rhoads to approve the payment of claims for December 2023 and January 2024.

7. Public Hearing regarding the proposed 24-25 LAFCO Budget

- a) John Benoit states that everyone received the budget to review. There was a justification report included for each budget item. He discusses budget items more in depth. MSR is on the LAFCo website.
- b) Motion by Kathie Rhoads, seconded by Ned Coe to approve Resolution 2024-0004 adopting a proposed budget for 2024-2025 Modoc LAFCo.

8. Executive Officer's Report

The Executive Officer discussed the following items:

- a) Surprise Valley Healthcare ongoing discussion
- b) Ethics training April 10, 2024 (tomorrow)
- c) 700 forms are to be filed with the County electronically
- d) LAFCO Budget 2024-2025 – Final budget hearing June 11th

9. Commissioner Reports – Discussion

John Benoit asks what is going on with the Board of Supervisors. Kathie Rhoads states that everything is under control.

No further discussion.

10. Closed Session

Motion by Ned Coe, seconded by Laurie Pearce Price to go into Closed Session at 4:23 PM.

Shane Starr asks if he can stay during closed session as an alternate member. Confirmed he is able to stay.

11. Report Out of Closed Session

Attorney Scott Browne reports out that the Board voted to instruct staff to negotiate a contract for executive officer for LAFCO.

12. Adjournment to the next LAFCo meeting

Motion by Laurie Pearce Price, seconded by Ned Coe to adjourn to the next regular meeting on June 11th, 2024. The motion was unanimously approved and the meeting was adjourned at 5:05 PM.

Modoc Local Agency Formation Commission

Item 6

CLAIMS

for

April and May 2024

Authorize Claims for FY 2023-2024

| | | |
|---------------|--------------------------------------|-------------|
| May 1, 2024 | Staff Svcs and Expenses April 2024 | \$ 4,368.40 |
| June 1, 2024 | Staff Svcs and Expenses May 2024 | \$ 2,647.18 |
| April 9, 2024 | Meeting stipend April 9, 2024 | \$ 500.00 |
| May 1, 2024 | LAFCo Counsel -Attend mtg and Ethics | \$ 2,000.00 |

TOTAL FY 23-24: \$ 9,515.58

DATED: June 11, 2024

APPROVED: June 11, 2024

Paul Minchella, Chair or Ned Coe, Vice-Chair
Modoc Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

Medoc LAFCo
Expenditures and Revenue
FY 2023-2024

| Item | Account Number | File Scanning | Memberships | copies | postage | Communications | Office Exp. | Counsel | staff Svcs | Clerk Costs | Notices and Public | Trans & Travel | MSR/SGI Updates | Commissioner | TOTAL |
|--|-----------------|---------------|---------------|------------|---------|----------------|-------------|---------------|---------------|-------------|--------------------|----------------|-----------------|---------------|---------------|
| | | 4325 | 4420 | 4210 | 4271 | 4271 | 4210 | 4008 | 4064 | 4006 | 4380 | 4430 | 4454 | Stipends/6003 | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Califco Dues 23-24 | | | | | | | | | | | | | | | |
| Califco Registration | Paul Minichella | | \$ (1,285.00) | | | | | | | | | | | | \$ (1,285.00) |
| Staff Svcs July 2023 | | | \$ | \$ (5.00) | | \$ (71.42) | \$ (32.20) | | \$ (1,742.50) | | | \$ (615.00) | | | \$ (1,851.12) |
| Commissioner Payroll August 8th, 23 | | | \$ | \$ (15.00) | | \$ (71.42) | | | \$ (3,962.50) | | | \$ (386.27) | | \$ (400.00) | \$ (4,000.00) |
| Staff Svcs August 2023 (63-74 | | | \$ | \$ (7.50) | | \$ (72.66) | | | \$ (1,190.00) | | | | | | \$ (1,445.19) |
| Staff Svcs Sept 2023 (24-0010) | | | \$ | | | | | | | | | | | \$ (400.00) | \$ (1,270.16) |
| Comm Stipend Oct 10, 2023 | | | \$ | | | | | | | | | | | \$ (400.00) | \$ (400.00) |
| Paul Minichella LAFCo Conf. reimb 2023 | | | \$ | \$ (20.00) | | \$ (76.56) | | | \$ (3,707.50) | | | \$ (1,252.11) | | | \$ (4,224.56) |
| Staff Svcs Oct 2023 | | | \$ | | | \$ (76.56) | | | \$ (2,796.00) | | | \$ (620.50) | | | \$ (2,872.56) |
| Staff Svcs Nov 2023 | | | \$ | | | | | | | | | | | \$ (400.00) | \$ (400.00) |
| Comm Stipend Dec 12, 2023 | | | \$ | \$ (10.00) | | \$ (76.56) | | | \$ (3,027.50) | | \$ (139.50) | \$ (390.38) | | | \$ (139.50) |
| Medoc Record Camby and Alturas MSR | | | \$ | \$ (10.00) | | \$ (76.56) | | | \$ (3,485.00) | | | | | | \$ (3,571.56) |
| Staff Svcs December 2023 | | | \$ | \$ (10.00) | | | | | | | | | | \$ (500.00) | \$ (500.00) |
| Staff Svcs January 2024 | | | \$ | \$ (10.00) | | | | | | | | | | | \$ (10.00) |
| Com Payroll Feb 13, 2024 | | | \$ | \$ (10.00) | | | | | | | | | | | \$ (10.00) |
| Staff Svcs February 2024 24-35 | | | \$ | \$ (10.00) | | \$ (121.29) | | | \$ (4,000.00) | | | | \$ (1,683.75) | | \$ (5,815.04) |
| Staff Svcs March 2024 | | | \$ | \$ (10.00) | | \$ (76.76) | \$ (15.10) | | \$ (3,000.00) | | | \$ (422.10) | \$ (1,845.00) | | \$ (5,368.96) |
| Medoc Record Recruit for EO Ialco | | | \$ | \$ (26.60) | | | | | | \$ (93.00) | | | | | \$ (93.00) |
| Medoc Record Proposed 24-25 Budget | | | \$ | \$ (26.60) | | | | | | \$ (45.00) | | | | | \$ (45.00) |
| Staff Svcs April 2024 | | | \$ | \$ (26.60) | | \$ (80.68) | | \$ (2,000.00) | \$ (3,835.00) | | | \$ (426.12) | | | \$ (4,366.40) |
| Browne # 1341 3.16-40 4.15 2004 Legal | | | \$ | \$ (10.00) | | \$ (74.68) | \$ (20.00) | | \$ (2,422.50) | \$ (120.00) | | | | | \$ (2,600.00) |
| Staff Svcs May 2024 | | | \$ | \$ (10.00) | | | | | | | | | | \$ (500.00) | \$ (500.00) |
| April 9, 2024 Payroll | | | \$ | \$ (10.00) | | | | | | | | | | | \$ (10.00) |

| | | | | | | | | | | | | | | | |
|-----------------------------------|--|----|--|-------------|-----------|-------------|------------|----------------|----------------|-------------|-------------|---------------|---------------|---------------|----------------|
| Total Expenditures to date | | \$ | \$ (1,285.00) | \$ (124.10) | \$ | \$ (875.15) | \$ (67.30) | \$ (2,000.00) | \$ (33,168.50) | \$ (126.00) | \$ (277.50) | \$ (4,122.48) | \$ (3,528.75) | \$ (2,200.00) | \$ (47,768.78) |
| Total Budget Remaining | | \$ | \$ (1,000.00) | \$ 1,075.90 | \$ 300.00 | \$ 124.85 | \$ (67.30) | \$ | \$ 2,831.50 | \$ 600.00 | \$ 322.50 | \$ 277.52 | \$ 8,971.25 | \$ 2,600.00 | \$ 20,035.22 |
| Audited | | | | | | | | | | | | | | | |
| | | | July 1, 2023 City Fund Carryover | | | | \$ | \$ 41,719.19 | | | | | | | \$ |
| Actual | | | | | | | | | | | | | | | |
| | | | 23-24 Actual City/Co Contributions | | | | \$ | \$ 54,584.40 | | | | | | | \$ |
| | | | FY 2023-24 City Anticipated Funds Transf | | | | \$ | \$ | | | | | | | \$ |
| | | | 2023-24 County Funds anticipated | | | | \$ | \$ | | | | | | | \$ |
| | | | Funds received | | | | \$ | \$ | | | | | | | \$ |
| | | | Interest | | | | \$ | \$ | | | | | | | \$ |
| | | | REVENUE FOR PROJECTS | | | | \$ | \$ 5,000.00 | | | | | | | \$ |
| | | | Anticipated Funds received | | | | \$ | \$ | | | | | | | \$ |
| | | | Less Expenditures | | | | \$ | \$ (47,768.78) | | | | | | | \$ |
| | | | Actual Cash Balance | | | | \$ | \$ 53,534.81 | | | | | | | \$ |

MODOC LAFCO

EXECUTIVE OFFICER'S REPORT

June 11, 2024

TO: Local Agency Formation Commission

FROM: John Benoit, Executive Officer

RE: Final Budget for FY 2024-2025

I provided a "recommended" budget at the April 9, 2024 meeting, which was adopted. A Budget Justification Report was prepared for that Budget Hearing. Please refer the Budget Justification Report for information on each of the items below.

1. Calafco Conference in Fish Camp near Yosemite. (Oct 16-18). There is \$2,200 budgeted. This will allow a maximum of 1 Commissioner to attend. There is also \$2,000 for staff mileage.
2. Modoc LAFCo never had a General Reserve. Fortunately, a general reserve has not been needed. In an emergency, the Board of Supervisors will be asked to loan LAFCo funds to be paid back in a subsequent budget year.

CARRY OVER FROM FY 2023-2024:

Carryover is proposed to be \$ 35,000.

CITY AND COUNTY COST SHARE:

The City and County Cost share is proposed to be \$27,292.20 each, which is slightly less than this year.

SUMMARY OF EXPENSES:

Commissioner Stipends The Commission has budgeted \$4,800 for Commissioner and Alternate stipends. This includes six meeting per year. According to Resolution 2009-0005, stipends will be paid for each Commissioner and Alternate who attends LAFCO meetings.

Liability Insurance There is nothing in the Budget since the County does not charge LAFCo for this item.

Memberships The Commission recommended in its proposed budget \$1,315.00 for CALAFCo dues, a \$31 increase.

Communications This is proposed to be \$1,000.00 for general communications for phone, internet and fax.

Office Expenses/Printing: The Commission recommended in its proposed budget \$1,200.00 Depending upon LAFCO activity this could be augmented by an increased appropriation from unanticipated revenue.

Postage This is proposed to be \$300.00 for public notices and mailings, the same as this year.

Legal Services The Commission recommended in its proposed budget \$2,000.00 for this item. LAFCO Counsel attends LAFCO meetings as requested by the Commission. It is anticipated if budget augmentations are needed in this category, additional appropriation would come from unanticipated revenue.

Staff Services: Executive Officer and Clerk: The Commission recommended in its proposed budget \$45,720 for these items. This translates into \$3,750 per month for LAFCO administration/clerk services. Notwithstanding a very complex reorganization or incorporation project for Modoc LAFCO, this amount should cover LAFCO administration. Complex projects should be fee supported thereby increasing revenue to LAFCO. It is anticipated if budget augmentations are needed in this category, additional appropriation would come from unanticipated revenue.

Legal Notices/Publications The Commission recommended in its proposed budget \$600.00 for legal notices. Given the cost of legal advertising and the projected workload this amount remains reasonable.

Special Dept. Expense – File Scanning and Management The proposed budget contained \$3,000 for the effort of scanning LAFCo files for public access and reduction of storage need.

Transportation/Mileage/Training/Conferences The Commission sent one person to the Calafco Annual Conference this year. Staff normally goes to the staff workshop and annual conference and one Commissioner to the annual conference.. This budget includes \$2,200.00, which is enough to send one commissioner to the Calafco Annual Conference in Fishcamp (near Yosemite), October 16-18 2024 and the annual Staff Workshop to be in in the spring. This category includes reimbursing the Executive Officer mileage costs at the IRS rate to and from Modoc County for meetings in the amount of \$2,000.00

Municipal Service Reviews/Sphere of Influence Updates The Commission recommended in its proposed budget \$12,500.00 for this effort, which would cover additional costs of preparing Reviews/Sphere Updates as required by the LAFCO Act. This amount may not adequate to prepare controversial reviews. Funds may be augmented from the Executive Officer Services category for this item, depending upon the workload. A portion of the Sphere of Influence updates is mapping. As expected, MSR's and SOI's updates are required as determined necessary.

Recommendation:

- a. Review, discuss, amend, and consider the 2024-2025 Final Budget. A budget justification report for FY 2024-2025 was prepared by staff for the adopted proposed budget in April 2024.
- b. Adopt LAFCO Resolution 2024-0005 adopting a Final Budget.

Resolution 2024-0005
of the
Modoc Local Agency Formation Commission
Modoc County, California

Resolution of the Modoc Local Agency Formation Commission

Adopting a Final Budget for 2024-2025

WHEREAS, Modoc LAFCO is required by Government Code Section 56381(a) to adopt annually, following a noticed public hearing, a proposed budget by May 1st and a final budget by June 15th; and,

WHEREAS, the Commission has prepared a final budget for public review; and,

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of both the proposed and final budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, the approved budget priorities for Fiscal Year 2024-2025 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the attached Final Budget in light of the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

NOW THEREFORE, the Modoc Local Agency Formation Commission does hereby determine, resolve, and order the following:

1. That Modoc LAFCO hereby adopts the attached final 2024-2025 budget (Attachment A).
2. Directs the Executive Officer to transmit the final budget to the Modoc County Auditor (Auditor) and all parties specified in Government Code Section 56381 (a) as promptly as possible.
3. The Commission hereby requests the Auditor to collect the funds in accordance with Government Code Section 56381 (c). In the event of non-payment of LAFCO funds by any entity subject to the LAFCO's apportionment, the Commission hereby requests and authorizes the Auditor to collect the funds from property tax revenues or any other revenue source and deposit the funds into the LAFCO account.
4. The Commission desires to use carryover funds remaining from the 2023-2024 budget to establish a contingency fund and to prepare Municipal Service Reviews and Sphere of Influence updates in the amounts specified on the attached 2024-2025 final budget.

PASSED AND ADOPTED by the Modoc Local Agency Formation Commission at a regular meeting of said Commission held on June 11th , 2024 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 11th day of June, 2024

Paul Minchella
Chair, Modoc LAFCO

Attest:

John Benoit, Executive Officer
Modoc LAFCO

AGREEMENT FOR EXECUTIVE OFFICER SERVICES
FOR THE MODOC COUNTY LOCAL AGENCY FORMATION COMMISSION

This Agreement is made and entered into by and between Jennifer Stephenson (hereinafter "the Contractor") and the Modoc County Local Agency Formation Commission (hereinafter the "Commission").

R E C I T A L S:

A. The Commission desires to retain the Contractor to discharge the duties of the office of Executive Officer of the Commission and to designate the Contractor as Executive Officer.

B. The Contractor is fully qualified to discharge the duties of the office of Executive Officer and to provide the services contemplated by this Agreement.

C. Because of the relatively small volume of business conducted by the Commission, the Commission wishes to reduce the cost of staff to serve the people of Modoc County as efficiently as possible. Accordingly, the Commission hereby exercises the authority conferred upon it by Government Code § 56000 *et seq.* to contract for Executive Officer services provided by the Contractor as an independent contractor serving the Commission on a part-time basis.

D. Notwithstanding the Commission's decision to retain Contractor as a part-time, independent contractor, Contractor is intended to be and is hereby declared to be an officer of the Commission with all of the duties, powers and responsibilities of an Executive Officer of a LAFCO under the Cortese-Knox-Hertzberg Act, Government Code §§ 56000 *et seq.* and to be an "officer" of the Commission within the meaning of Government Code § 54957(b)(4).

NOW, THEREFORE, the parties hereto agree as follows:

1. Scope of Services.

A. The Contractor shall discharge the duties of the office of Executive Officer of the Commission and shall use her best efforts to provide services in a competent and professional manner. The Contractor shall provide all Executive Officer services to the Commission of the kind and nature typically provided by a LAFCO Executive Officer unless specifically stated otherwise in this Agreement or otherwise directed in writing by the Commission. Except where conflict of interest rules require otherwise, the Contractor shall supervise the activities of all other professionals retained by or for the Commission and shall review the work of such professionals on behalf of the Commission.

B. The professional services to be provided by the Contractor shall consist of those set forth in Exhibit "A" attached hereto and shall be billed at the rates set forth therein.

2. Designation of Executive Officer.

Jennifer Stephenson is appointed as Executive Officer to the Commission. The parties understand and agree that the Contractor may, from time to time, utilize assistants to assist Jennifer Stephenson in the performance of this Agreement.

3. Billing Procedures and Monthly Statements.

A. Notwithstanding complex projects, MSR's, and SOI's, the Contractor shall submit to the Commission, within thirty (30) days after the end of each calendar month, an itemized statement of the professional services provided and the time expended to provide those services to be billed on an hourly basis. The parties acknowledge that payment of all monthly statements is expected to be made within thirty (30) days of the billing date. The Commission will not be liable for interest or finance charges, although persistent late payment shall be a basis for the Contractor to review its relationship with the Commission.

B. The Contractor will bill the Commission for actual, out-of-pocket expenses such as, but not limited to, authorized travel, communication, duplication, mileage, computerized research (except as provided to the contrary below), and similar out-of-pocket expenditures. All expenses will be billed at cost, without markup. These items will be separately designated on the Contractor's monthly statements as "disbursements," and will be billed in addition to fees for professional services.

C. The Contractor's current charge out rates are shown in Exhibit B attached hereto.

4. Resolution of Fee Disputes By Mediation.

Any controversy between the parties involving the construction, application or performance of any of the terms, provisions, or conditions of this Agreement shall, on the written request of either party served on the other, be submitted to mediation before a mediator acceptable to all parties. The mediation shall occur within 45 days of the initial request, unless extended by agreement of the parties. Should any party commence arbitration or court action based on a dispute or claim to which this Section applies, without first attempting to resolve the matter through mediation, then that party shall not be entitled to recover attorney's fees, even if they would otherwise be available to that party in any such action or arbitration.

5. Term of the Agreement.

This Agreement shall be effective as of July 1, 2024 and shall be and remain in full force and effect until terminated in accordance with the provisions of Section 6 hereof.

6. Termination of the Agreement.

- (a) Commission has the right to terminate the Contractor's services at any time, without cause, subject to an obligation to give notice in writing to the Contractor at least sixty (60) days prior to termination, unless termination is immediate for cause. The Contractor has the same right, subject to the Contractor's ethical obligations to allow the Commission sufficient notice prior to termination so that Commission will be able to arrange alternative services. In either circumstance, Commission agrees to secure new services as quickly as possible.
- (b) If Contractor commits any act that would likely result in further material damage to the operation of the Commission by Contractor's continued work for the agency, in the opinion of the Commission, Contractor may be terminated immediately.
- (c) The Contractor agrees to cooperate fully in any such transition, notwithstanding the termination of the Contractor's representation, Commission will remain obligated to pay to the Contractor all fees and costs incurred prior thereto.

7. Files and Records.

A. All files of the Contractor pertaining to the Commission shall be and remain the property of Commission.

B. The Contractor shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. Commission shall have the right to access and examine such records, without charge, during normal business hours. Commission shall further have the right to audit such records, to make transcripts therefrom and to inspect all data, documents, proceedings, and activities.

8. Modifications to the Agreement.

Unless otherwise provided in this Agreement, modifications relating to the nature, extent or duration of the Contractor's professional services to be rendered hereunder shall require the prior written approval of the Commission. Any modification approved in writing shall be deemed to be a supplement to this Agreement and shall specify any changes in the Scope of Services and the agreed-upon billing rates to be charged by the Contractor and paid by the Commission.

9. Independent Contractor.

No employment relationship is created by this Agreement. The Contractor shall, for all purposes, be an independent contractor to the Commission. Contractor shall control her own schedule and manner of completing the operations of the agency, subject to the overall direction of the Commission. The Contractor shall not be entitled to participate in any pension plan (including, without limitation, any county or other public retirement system), health insurance, bonus, or other similar benefits. Nothing in this paragraph shall alter the intention of the parties to this Agreement as expressed in the recitals above.

10. Nondiscrimination.

In the performance of this Agreement, the Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, national origin, medical condition, or any other unlawful basis.

11. Assignment and Delegation.

This Agreement contemplates the personal professional services of the Contractor. With the exception of the use of assistants, neither this Agreement nor any portion thereof shall be assigned or delegated without the prior written consent of the Commission. Delegation to other Contractors shall be limited to those situations in which the Contractor is disqualified by virtue of a conflict of interest, or where the Contractor does not possess the expertise to competently perform services in a particular area. Delegation shall not be made without the prior written approval of the Chairperson of the Commission. The Contractor shall supervise delegated work, except where precluded from doing so by virtue of a conflict of interest, and where otherwise agreed to by the parties hereto.

12. Nonexclusive Agreement

Nothing in this Agreement shall be construed to restrict Contractor' right to enter into other Agreements and to provide services for others, provided such agreements or services are outside Modoc County and do not interfere with Contractor's timely performance of the services which Contractor is required to provide on behalf of LAFCO pursuant to the terms of this Agreement, create a conflict of interest, or be deleterious to the interests of the Commission.

13. Insurance.

A. The Contractor currently maintains in full force and effect a Commercial General Liability Insurance policy. Contractor shall procure and maintain, at Contractor's own expense during the term here of, Comprehensive Commercial General Liability Insurance with minimum coverage of not less than one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) in the aggregate, including but not limited to

endorsements for the following coverages: personal injury, premises-operations, products and completed operations, blanket contractual, and independent contractor's liability.

B. The Contractor agrees to comply with the Workers Compensation Law if it should have employees involved in the services required by this Agreement.

C. Contractor shall procure and maintain, at Contractor's own expense during the term here of, Automobile Liability Insurance with minimum coverage of not less than three hundred thousand dollars (\$300,000) per occurrence and nine hundred thousand dollars (\$900,000) in the aggregate applicable to any vehicle used in the provision of services under this Agreement.

D. The Contractor agrees to notify the Commission in the event the limits of its insurance should fall below the coverages stated in paragraph A or if the insurance policies noted here are allowed to lapse and substitute insurance is not obtained.

14. Indemnification.

Contractor shall indemnify and defend LAFCO and its officers, employees, and agents against and hold them harmless from any and all claims losses, damages, and liability for damages, including attorney's fees and other costs of defense incurred by LAFCO, whether for damage to or loss of property, or injury to or death of person, including properties of LAFCO and injury to or death of LAFCO officials, employees or agents, arising out of, or connected with Contractor's operations hereunder or the performance of the work described herein other than any liability resulting from the proper discharge of Contractors duties under this agreement.

LAFCO shall indemnify and defend and hold Contractor harmless from any and all claims losses, damages, including attorney's fees and other costs of defense incurred by Contractor, whether for damaged to or loss of property, or injury to or death of person, arising out of, or connected with Contractor's proper performance of her duties described herein.

15. Conflicts of Interest.

The Contractor shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.). Consultant covenants that neither Consultant nor the subcontractors identified herein presently have any personal or financial interest and shall not acquire an interest in any manner or degree which would conflict with the performance of her or his services hereunder. Consultant further covenants that in the performance of this agreement no person having any such interest shall be employed or subcontracted with to perform any services required hereunder.

16. Permits and Approvals.

The Contractor shall obtain, at the Contractor's sole cost and expense, all permits, and licenses necessary in the performance of this Agreement.

17. Severability.

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

18. Entire Agreement.

This Agreement, together with Exhibits "A" and "B" hereto, shall constitute the full and complete agreement and understanding of the parties and shall be deemed to supersede all other written or oral statements of any party hereto relating to the subject matter hereof.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have caused this Agreement to be executed as of _____, 2024.

MODOC COUNTY LOCAL AGENCY COMMISSION

By: _____
Paul Minchella, Chair

Approved as to form:

By: _____
P. Scott Browne, General Counsel

JENNIFER STEPHENSON, Contractor

By: _____
Jennifer Stephenson

EXHIBIT "A"

SCOPE OF SERVICES

Jennifer Stephenson shall serve as Executive Officer and shall perform all Executive Officer and professional duties as specified in the Cortese-Knox-Hertzberg Local Government Reorganization Act ("the Act") and other applicable statutes and as directed by the Commission. Said duties shall include but are in no way limited to:

- providing supervisory and professional services for staff of the Commission.
- Conducting the day-to-day business of the Commission, and shall perform all Executive Officer Duties as specified in the Act.
- providing general information to the public, individually and to groups, regarding LAFCO statutes, policies, and concepts of orderly governmental boundaries through direct participation.
- overseeing maintenance of a web page.
- developing and maintaining LAFCO's policies and bylaws.
- implementing a program of work to update the Spheres of Influence, conducting Municipal Services Reviews, complex environmental reviews, and other special studies in accordance with LAFCO's work program and be compensated at the hourly rates and direct expenses shown in Exhibit B.
- attending all LAFCO meetings, unless otherwise directed by the Commission and representing Modoc LAFCO, as a member of CALAFCO.
- generating all necessary staff reports for matters before the Commission and preparing all necessary CEQA (California Environmental Quality Act) documents.
- maintaining a local LAFCO presence to conduct the public portion of LAFCO business. The schedule may vary from month to month.

It is the responsibility of the Contractor to operate within LAFCO's given budgetary appropriations. Contractor shall administer the LAFCO budget, including preparation and presentation of next fiscal year budget as required by law.

EXHIBIT "B"

COMPENSATION

Contractor will be paid \$3,750 per month.

Contractor shall be compensated for additional time if necessary for application processing as covered by application fees

The following billing rates for key personnel for Special Studies, Service Reviews and Spheres of Influence and costs beyond the services provided as part of the Executive Officer's responsibilities are as follows:

| | | |
|--------------------|---------------------|-------------------|
| Principal: | Jennifer Stephenson | \$125.00 per hour |
| Principal: | Oxana Wolfson | \$110.00 per hour |
| Research Analyst | | \$70.00 per hour |
| Research Assistant | | \$50.00 per hour |

REIMBURSEMENT OF DIRECT EXPENSES

LAFCo shall reimburse Contractor for the following direct expenses:

| | |
|-----------------------------|----------------------------|
| Mileage*: | IRS Rate |
| Photocopies: | Cost |
| Postage: | Cost |
| Telephone/Internet/Fax: | Cost |
| Overnight Delivery Service: | Cost |
| Conference and Workshops: | ¼ of the registration fees |
| Mapping | Cost |
| Clerk | Cost |

The above compensation and direct expenses shall be reimbursed upon approval by the Commission during months when the Commission has a meeting. The Chair may authorize expenditures for LAFCo-related compensation and expenses in the event the Commission does not meet during a given month. Chair's authorization is subject to ratification by the Commission at its next regularly scheduled meeting.

Upon prior authorization of the Commission, LAFCo shall reimburse Contractor for LAFCo related expenses for training and conferences on a pro-rata basis as appropriate. The Chair may authorize expenditures for LAFCo-related training and conferences in the event the Commission does not meet during a given month. Chair's authorization is subject to ratification by the Commission at its next regularly scheduled meeting.

* Mileage shall also be reimbursed for travel within the County on official LAFCo business. Mileage outside Modoc County may be reimbursed from time to time, on a case by case basis, for LAFCo related travel as approved by the Commission or the Chair in the event the Commission does not meet during a given month. Chair's authorization is subject to ratification by the Commission at its next regularly scheduled meeting.

LAFCO Chair Initials: _____
Date

Contractor Initials: _____
date

MODOC LOCAL AGENCY FORMATION COMMISSION

STATE OF CALIFORNIA

MINUTE ORDER

Tuesday June 11, 2024

Item 8 b - Minute Order appointing Jennifer Stephenson as the Modoc LAFCo Executive Officer effective July 1, 2024

MOVED:

SECONDED:

APPROVAL:

Paul Minchella, Chair or Ned Coe, Vice-Chair
Modoc Local Agency Formation Commission

MODOC LOCAL AGENCY FORMATION COMMISSION

STATE OF CALIFORNIA

MINUTE ORDER

Tuesday June 11, 2024

Item 8 c - Minute Order authorizing Jennifer Stephenson to manage, sign LAFCo claims, and handle Modoc LAFCO's day to day finances effective July 1, 2024.

MOVED:

SECONDED:

APPROVAL:

Paul Minchella, Chair or Ned Coe, Vice-Chair
Modoc Local Agency Formation Commission

**Second Amendment to Agreement for Executive Officer Services for
Modoc LAFCo with John Benoit, Contractor**

This is an amendment dated June 11, 2024 to that certain AGREEMENT FOR THE PROVISION OF EXECUTIVE OFFICER SERVICES by and between the Modoc Local Agency Formation Commission (LAFCo) and JOHN BENOIT (CONTRACTOR) first entered into on October 26, 2006 (herein referred to as the 2006 contract) and since amended one time by the Commission.

WHEREAS, Contractor informed the Commission of his intent to retire as the Modoc LAFCo Executive Officer, but agreed to continue to provide miscellaneous services through the transition period for the newly appointed Executive Officer.

WHEREAS, on July 1, 2024 Modoc LAFCo will have a new Executive Officer to assume all Executive Officer Duties and manage the day-to-day operation of LAFCo;

WHEREAS, Modoc LAFCo desires John Benoit to continue to provide services to LAFCo and assist the new Executive Officer on a limited basis during the transition not to exceed 1-year and within LAFCo's budget.

WHEREAS, various provisions of the 2006 Agreement, as previously amended need to be eliminated or revised to reflect the limited scope of Contractor's continued work with Modoc LAFCo.

NOW, THEREFORE, IT IS HEREBY AGREED that the 2006 Contract (as previously amended) is further amended as follows:

1. The provisions of the 2006 contract, as previously amended, shall continue to apply except as amended herein, provided that any provision that is inconsistent with the changed scope of the contract shall be harmonized with the intent of this amendment.
2. Article 1 "Contractor's Responsibilities" is repealed and amended to read as follows: "Contractor shall provide technical assistance regarding LAFCo related matters to the Executive Officer and the Commission including assistance in the preparation of Service Reviews and Sphere updates within the Commission's approved budget, as needed". Exhibit "A" is hereby repealed and services billed out at \$125.00 (one-hundred twenty-five dollars) per hour plus any and all direct and indirect costs".
3. John Benoit shall no longer be the Modoc LAFCo Executive Officer instead shall be considered the Assistant Executive Officer between July 1st, 2024 until July 1st 2025.
4. John Benoit may on occasion act on behalf of the New Executive Officer as an

Assistant Executive Officer if requested to do so by the Commission.

5. Any records generated under the 2006 Contract and between October 26, 2006 and July 1, 2024 shall immediately be given to the New Executive Officer.
6. The effective date of this agreement shall be July 1, 2024 and shall continue until terminated by either party or on July 1, 2025.

**Modoc Local Agency
Formation Commission**

Contractor

Paul Minchella, Chair

John Benoit, Contractor

APPROVED AS TO FORM:

P. Scott Browne, LAFCO Counsel

MODOC LAFCO

June 11, 2024

Honorable Maria Elena Durazo, Chair
Senate Local Government Committee
State Capitol, Room 407
Sacramento, CA 95814

RE: SUPPORT of AB 3277, Local agency formation commission: districts: property tax

Dear Chair Durazo and Committee members,

The Modoc Local Agency Formation Commission (LAFCo) is pleased to **Support Assembly Bill 3277**, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes a clarifying change to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

Under existing statute, a commission must perform a financial analysis of ad valorem property taxes when a proposal is received that includes the incorporation of a city and the formation of a district. The only purpose of the analysis is to determine how best to apportion the property taxes between the agencies. However, occasionally, an application is received in which the district waives any portion of the ad valorem taxes. In those situations, no analysis is needed for the process, yet it remains required by statute.

This bill will add language that clarifies that the performance of the financial analysis in that situation only needs to be performed in those instances where a portion of the ad valorem property taxes is being sought.

By making this minor change, **AB 3277** will apply this time-consuming process only to those applications that require it.

For the reasons noted above, Modoc LAFCO **Supports AB 3277**.

Please do not hesitate to reach out with questions or concerns about our position.

Yours sincerely,

Paul Minchella
Chair, Modoc LAFCo

MODOC LAFCO

June 11, 2024

Honorable Juan Carrillo, Chair
Assembly Local Government Committee
1020 N St., Rm. 157
Sacramento, CA 95814

RE: **SUPPORT - SB 1209 (Cortese): Local agency formation commission: indemnification**

Dear Chair Carrillo and Committee Members:

The Modoc Local Agency Formation Commission (LAFCO) is pleased to **Support Senate Bill 1209**, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO). **SB 1209** would add a new section into Government Code authorizing LAFCOs to enter into an indemnification agreement with an applicant. Counties and cities are already empowered to require indemnification, and routinely do so with respect to discretionary land-use approvals. SB 1209 would merely provide LAFCOs with the same authority.

This bill addresses a 2022 decision of the Second District Court of Appeals, which found that existing State law does not provide explicit authority to LAFCOs to require indemnification. Absent indemnification authority - and because LAFCO funding is statutorily required in a specified ratio from the county, cities, and special districts within a county - the costs to defend litigation must be absorbed by all of LAFCO's funding agencies.

Consequently, **SB 1209** will provide LAFCOs with the ability to use a tool already in use by counties and cities, and prevent costs to defend litigation from being shifted to a county, its cities, and its special districts.

Thus, for the above reasons, Modoc LAFCO is in strong **Support of SB 1209** and respectfully requests your AYE vote.

Sincerely,

Paul Minchella
Chair, Modoc LAFCO

cc: Members and All Consultants, Assembly Local Government Committee
The Honorable Dave Cortese, California State Senate
René LaRoche, Executive Director, CALAFCO